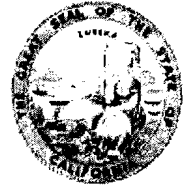




California
Department of
Health Services

SANDRA SHEWRY
Director

State of California—Health and Human Services Agency
Department of Health Services



ARNOLD SCHWARZENEGGER
Governor

April 10, 2007

Ms. Juliette A. Poulson, RN, MN
Director
Orange County Health Care Agency
405 W. 5th Street, 7th Floor
Santa Ana, CA 92701

NOTICE OF ALLOCATION – HEALTH CARE COVERAGE INITIATIVE

Dear Ms. Poulson:

The purpose of this letter is to confirm that the County of Orange was selected to receive an allocation of federal funding to implement its proposed Medical Services for Indigents (MSI) Program under the Health Care Coverage Initiative (Coverage Initiative). The amount of the allocation is \$16,871,578 annually for the provision of health care services during the period of September 1, 2007 to August 31, 2010.

The California Department of Health Services (CDHS) received a total of 17 applications for Coverage Initiative funding. The applications were reviewed, scored, and ranked. The federal funds were allocated to the ten highest ranking applications until the total annual amount of \$180 million was allocated.

In addition to receiving the Coverage Initiative allocation of \$16,871,578, the County will have the opportunity to separately claim allowable administrative and care and case management costs associated with the MSI Program.

CDHS will be working with each of the selected applicants to finalize their program contracts in order to meet the Coverage Initiative implementation date of September 1, 2007. Meanwhile, please proceed with securing all internal approvals necessary in your County to prepare for implementation of MSI Program.

You may review additional details regarding the Coverage Initiative allocations at www.dhs.ca.gov/coverageinitiative. Please direct any questions regarding this letter to the Coverage Initiative e-mail box at coverageinitiative@dhs.ca.gov.

Congratulations on being selected to receive a Coverage Initiative allocation. We look forward to working with you in the implementation of the MSI Program.

Sincerely,

A handwritten signature in dark ink, appearing to read "Nancy Hutchison".

Nancy Hutchison, Chief
Field Operations Support Branch

cc: Mr. Robert C. Gates
Orange County Health Care Agency
405 W. 5th Street, 7th Floor
Santa Ana, CA 92701

Eric G. Handler, M.D., M.P.H.
Orange County Health Officer
Orange County Health Care Agency
405 W. 5th Street, 7th Floor
Santa Ana, CA 92701